

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2003

	August-03				July-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
LA Capital	52,767,381	4.5%	4.5%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	38	0.0%	0.0%	N/A	25,164,965	2.2%	2.3%	3.53%	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	52,767,419	4.5%	4.5%	3.16%	25,164,965	2.2%	2.3%	3.53%	6.80%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				2.49%				2.49%	5.04%	2.93%	-21.55%	-5.04%
Structured Value												
LSV	54,492,774	4.7%	4.5%	3.10%	52,887,854	4.7%	4.5%	1.21%	4.35%	-2.05%	9.06%	3.95%
Russell 1000 Value				1.56%				1.49%	3.07%	-1.02%	-2.19%	-0.17%
Enhanced Russell 1000 Index												
LA Capital (Wilshire)	52,978,499	4.6%	4.5%	2.41%	51,716,882	4.5%	4.5%	1.61%	4.07%	1.08%	N/A	N/A
Russell 1000				2.03%				1.99%	4.06%	0.96%	N/A	N/A
Enhanced S&P 500 Index												
Northern Trust	49,830,605	4.3%	4.5%	1.86%	48,910,953	4.3%	4.5%	1.73%	3.62%	0.28%	N/A	N/A
Strong	51,039,095	4.4%	4.5%	2.21%	49,917,417	4.4%	4.5%	1.28%	3.52%	3.30%	N/A	N/A
Westridge	56,729,976	4.9%	4.5%	1.96%	55,678,776	4.9%	4.5%	1.77%	3.76%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	157,599,676	13.6%	13.5%	2.01%	154,507,145	13.6%	13.5%	1.60%	3.64%	1.35%	N/A	N/A
S&P 500				1.95%				1.76%	3.74%	0.24%	N/A	N/A
S&P 500 Index												
State Street	35,320,012	3.0%	3.0%	1.95%	60,601,903	5.3%	5.3%	1.77%	3.75%	0.31%	-11.14%	-1.58%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	353,158,381	30.4%	30.0%	2.31%	344,878,750	30.3%	30.0%	1.71%	4.06%	0.49%	-9.68%	-2.32%
S&P 500				1.95%				1.76%	3.74%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	134,018,458	11.6%	10.0%	4.83%	127,811,075	11.2%	10.0%	6.11%	11.24%	0.68%	N/A	N/A
Russell 2000 + 200bp				4.75%				6.43%	11.48%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	134,018,458	11.6%	10.0%	4.83%	127,811,075	11.2%	10.0%	6.11%	11.24%	0.68%	-3.37%	-0.65%
Russell 2000				4.58%				6.26%	11.13%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY												
Large Cap - Core												
State Street	25,416,992	2.2%	2.0%	3.19%	24,588,125	2.2%	2.0%	2.87%	6.14%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
Large Cap - Active												
Capital Guardian	61,929,997	5.3%	5.0%	3.23%	59,869,732	5.3%	5.0%	4.37%	7.74%	-11.30%	-14.96%	0.47%
Bank of Ireland	11,521,964	1.0%	1.0%	-0.29%	11,544,195	1.0%	1.0%	0.97%	0.68%	-10.28%	N/A	N/A
Total Large Cap - Active	73,451,962	6.3%	6.0%	2.66%	71,413,926	6.3%	6.0%	3.81%	6.57%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
Small Cap - Active												
Lazard	13,221,950	1.1%	1.0%	3.24%	12,797,124	1.1%	1.0%	2.04%	5.34%	-2.32%	N/A	N/A
Wellington	13,218,012	1.1%	1.0%	4.93%	12,594,365	1.1%	1.0%	4.63%	9.78%	5.97%	N/A	N/A
Total Small Cap - Active	26,439,962	2.3%	2.0%	4.08%	25,391,489	2.2%	2.0%	3.36%	7.58%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				6.30%				3.20%	9.70%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	125,308,916	10.8%	10.0%	3.06%	121,393,540	10.7%	10.0%	3.52%	6.69%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY												
Capital Guardian	63,614,918	5.5%	5.0%	6.39%	59,794,202	5.3%	5.0%	5.63%	12.38%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				6.71%				6.26%	13.39%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	30,463,205	2.6%	3.1%	1.24%	30,085,086	2.6%	3.1%	-4.59%	-3.40%	13.42%	11.88%	8.58%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
Active Duration												
WestAM (Criterion)	30,190,467	2.6%	-1.4%	0.55%	30,028,221	2.6%	-1.4%	-3.70%	-3.17%	9.93%	9.39%	6.85%
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
Index												
Bank of ND	49,829,696	4.3%	4.8%	0.55%	49,460,860	4.4%	4.8%	-4.32%	-3.80%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	13,788,390	1.2%	1.2%	0.48%	13,806,849	1.2%	1.2%	0.48%	0.95%	5.83%	5.84%	5.85%
Total Index	63,618,086	5.5%	6.0%	0.53%	63,267,709	5.6%	6.0%	-3.18%	-2.67%	10.77%	10.08%	7.44%
Lehman Gov/Credit				0.66%				-4.19%	-3.56%	13.15%	10.82%	7.83%

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	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Net ROR	Net ROR	Net	Net
Convertibles												
TCW	34,937,012	3.0%	3.1%	0.68%	34,606,849	3.0%	3.1%	1.25%	1.93%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				1.64%				0.45%	2.10%	15.35%	-3.81%	N/A
BBB Average Quality												
Strong	31,339,170	2.7%	3.1%	1.04%	31,033,683	2.7%	3.1%	-4.58%	-3.59%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				0.98%				-4.49%	-3.55%	18.33%	9.91%	N/A
Timberland												
Evergreen (Wachovia)	64,876,521	5.6%	5.6%	-0.05%	64,880,372	5.7%	5.7%	-0.05%	-0.10%	12.50%	N/A	N/A
											N/A	N/A
TOTAL DOMESTIC FIXED INCOME	255,424,462	22.0%	24.0%	0.55%	253,901,919	22.3%	24.0%	-2.24%	-1.70%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
HIGH YIELD BONDS												
Western Asset	60,195,640	5.2%	5.0%	1.56%	59,271,982	5.2%	5.0%	-1.79%	-0.26%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				1.15%				-1.10%	0.04%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	26,104,669	2.2%	2.5%	-0.54%	26,655,508	2.3%	2.5%	-2.51%	-3.04%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
International Core												
Brandywine	25,826,848	2.2%	2.5%	-1.10%	26,467,052	2.3%	2.5%	-2.49%	-3.56%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-0.90%				-2.59%	-3.47%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	51,931,517	4.5%	5.0%	-0.82%	53,122,560	4.7%	5.0%	-2.49%	-3.29%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.85%				-2.59%	-3.41%	17.91%	8.10%	6.29%
REAL ESTATE												
JMB	24,782			0.00%	37,739			0.00%	0.00%	-18.62%	-5.76%	0.42%
INVESCO	26,859,535			0.11%	26,831,202			-0.02%	0.09%	8.15%	8.00%	7.69%
J.P. Morgan	31,273,515			0.95%	30,979,167			0.46%	1.42%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	58,157,831	5.0%	5.0%	0.51%	57,848,109	5.1%	5.0%	0.21%	0.72%	7.97%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				0.69%				0.69%	1.39%	7.42%	8.44%	10.11%
ALTERNATIVE INVESTMENTS												
Brinson IVCF II	273,756			0.00%	274,823			0.00%	0.00%	-7.44%	-23.62%	10.02%
Coral Partners II	167,358			0.00%	462,502			0.00%	0.00%	10.56%	-36.34%	-15.79%
Coral Partners V	10,116,377			0.00%	10,116,377			0.00%	0.00%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	526,280			0.00%	526,280			0.00%	0.00%	-28.36%	N/A	N/A
Coral Partners VI	1,646,667			0.00%	1,646,667			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,774,062			0.00%	1,774,062			0.00%	0.00%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,258,812			0.00%	2,258,812			0.00%	0.00%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,642,953			0.00%	3,642,953			0.00%	0.00%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,256,870			0.00%	1,256,870			0.00%	0.00%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	761,203			0.00%	761,203			0.00%	0.00%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	85,757			0.00%	85,757			0.00%	0.00%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,235,156			0.00%	1,235,156			0.00%	0.00%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,190,155			0.00%	1,190,155			0.00%	0.00%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	780,746			0.00%	780,746			0.00%	0.00%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,119,709			0.00%	1,119,709			0.00%	0.00%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	75,571			0.00%	75,571			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	6,096,015			0.00%	6,096,015			0.00%	0.00%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,392,954			0.00%	12,392,954			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	812,819			0.00%	812,819			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone	3,119,340			0.00%	3,119,423			0.00%	0.00%	28.98%	13.57%	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	49,332,561	4.3%	5.0%	0.00%	49,628,855	4.4%	5.0%	0.00%	0.00%	-9.65%	-13.02%	0.04%
<i>Post Venture Capital Index</i>				3.81%				7.10%	11.18%	19.78%	-29.84%	-8.37%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	9,082,661	0.8%	1.0%	0.11%	9,161,279	0.8%	1.0%	0.11%	0.22%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.08%				0.07%	0.15%	1.52%	3.33%	4.07%
TOTAL FUND	1,160,225,346	100.00%	100.00%	2.10%	1,136,812,271	100.00%	100.00%	1.10%	3.23%	5.46%	-1.91%	2.68%
POLICY TARGET BENCHMARK				2.06%				1.19%	3.27%	6.20%	-2.13%	2.83%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.